News Release

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Ignore the noise – KiwiSaver members urged to focus on their long-term investment goals

ANZ Investments is urging KiwiSaver members not to panic about the sell-off in global financial markets and instead focus on their long-term investment goals.

"We understand people may be anxious or have questions," ANZ Managing Director for Funds Management Fiona Mackenzie said.

"We are now seeing an increase in members reaching out to us through our contact centre or via social media channels.

"But it is important investors remember that financial markets do go up and down.

"If we step back for a moment and focus on the long-term, which is what investing in KiwiSaver is all about, history tells us that markets recover - some faster than others, but they do recover."

During the last week alone, ANZ Investments saw the same number of interactions via our social media channels as for the whole month of May. Call volumes are currently about 20 per cent higher than usual.

"The queries we are getting are focused around similar themes; market fluctuation, the value of individual investments and whether to switch funds," Ms Mackenzie said.

"It's hard to predict when markets will change direction, and trying to pick the best times to change funds comes with risk."

The S&P 500 Index, which is often seen as the benchmark for global equity markets, is down more than 20 per cent from its recent all-time high, and the tech-heavy NASDAQ 100 Index is off by more than 30 per cent.

"Those are large falls" ANZ Chief Investment Officer Paul Huxford said, "but they need to be put in perspective.

"Both these indices are higher than where they were in February 2020, just prior to the COVID-19 outbreak."

The S&P 500 Index is still up more than 10 per cent from that level, and the NASDAQ 100 Index is more than 15 per cent higher.

"People remember market sell-offs, but it's even more important to remember that each bear market has been followed by a recovery and new highs over the long-term."

The S&P 500 has risen by 1,530 per cent since the lows of the 1987 crash; by 360 per cent since the dotcom crash of 2000, and 442 per cent since the Global Financial Crisis.

Market recoveries can take some time, so it is important investors select a fund that is appropriate for their age and risk profile.

“It’s important to check you’re invested in the right fund for your circumstances, especially if you’re intending to use your money to purchase a first home or you need it soon,” said Ms Mackenzie.

Despite the volatility, Mr Huxford said ANZ Investments’ long-term approach has not changed.

“Our team typically focuses on what we believe are high-quality companies with robust balance sheets run by people with strong leadership qualities; companies which, over time, should become more valuable, and therefore help to grow the wealth of our members,” he said.

“We are regularly monitoring global markets to allocate your money, so that you don’t have to.”

ANZ Investments is encouraging members to keep up their contributions through periods of market declines.

“Investing through a downturn means you can invest at lower prices and benefit from any market recovery,” Ms Mackenzie said.

“It helps create good investment habits, and sets you up for more financial freedom, whatever your ‘life after 65’ plans are.”

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